

*Cross index under*  
**8840**

**SIDLEY & AUSTIN**

**8-333A073**

1730 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D. C. 20006

TELEPHONE 202: 624-9000

TELEX 89-463

Founded in 1866 as  
Williams & Thompson

No. **9873**

Date **NOV 29 1978**

Fee \$ **5.00**

ICC Washington, D. C.

RECORDATION NO. **9873**

**NOV 29 1978 - 2 45 PM**

INTERSTATE COMMERCE COMMISSION

CHICAGO OFFICE

ONE FIRST NATIONAL PLAZA

CHICAGO, ILLINOIS 60603

TELEPHONE 312: 329-5400

TELEX 25-4364

EUROPEAN OFFICE

9 HOLLAND PARK

LONDON, W11 3TH, ENGLAND

TELEPHONE 01: 727-1416

TELEX 21781

November 29, 1978

**9873**

RECORDATION NO. **9873** Filed 1425

**NOV 29 1978 - 2 45 PM**

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission  
12th Street and Constitution Avenue  
Washington, D.C. 20423

Dear Sirs:

Enclosed for recordation in accordance with  
Section 20c of the Interstate Commerce Act are four  
counterparts of the following documents:

Agreement made November 1, 1978,  
between The Royal Trust Company  
and Canadian Pacific Limited

Assumption and Confirmation of  
Assignment dated as of November 1,  
1978, among Montreal Trust Company,  
The Royal Trust Company, and  
Canadian Pacific Limited

These documents are related to documents previously re-  
corded as Nos. 8840, 8840-A, and 8840-B.

The names and addresses of the parties are as  
follows:

Montreal Trust Company  
One Place Marie  
Montreal, Quebec 43B 3L6

The Royal Trust Company  
P.O. Box 7500, Station A  
Toronto, Ontario M5W 1P9

Canadian Pacific Limited  
Windsor Station  
Montreal, Quebec H3C 3E4

RECEIVED  
NOV 29 2 41 PM '78  
I.C.C.  
FEE OPERATION DR.

*Lyndman*  
*Quintana*

SIDLEY & AUSTIN

WASHINGTON, D. C. 20006

Interstate Commerce Commission  
November 29, 1978  
Page Two

Enclosed is our check for \$50.00 payable to  
the Commission.

Very truly yours,



Lee A. Monroe

Enclosure

LAM/clf

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

11/29/78

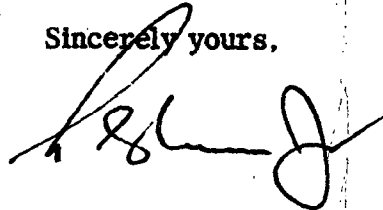
OFFICE OF THE SECRETARY

Lee A Monreo  
Sidley & Austin  
1730 Penn. Avenue, N.W.  
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on 11/29/78 at 2:45pm,  
and assigned recordation number(s) 9873 & 9873-A

Sincerely yours,



H.G. Homme, Jr.,  
Secretary

Enclosure(s)

SE-30-T  
(2/78)

9873-A  
RECORDATION NO. .... Filed 1425

NOV 29 1978-2 45 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED  
INTERSTATE COMMERCE  
COMMISSION  
NOV 28 2 35 PM '78  
FINANCE UNIT  
OFFICE OF  
PROCEEDINGS

ASSUMPTION AND CONFIRMATION OF ASSIGNMENT,  
dated as of November 1, 1978, among MONTREAL  
TRUST COMPANY, a corporation organized under  
the laws of the Province of Quebec, Canada, as  
Trustee (the "Equipment Trustee"), THE ROYAL  
TRUST COMPANY, a corporation incorporated by  
special charter under the laws of the Province  
of Quebec, Canada (the "Owner-Trustee"),  
acting as Owner-Trustee under a Trust Agreement  
dated as of May 1, 1977 (the "Trust Agreement"),  
with J. P. Morgan Interfunding Corporation, a  
Delaware corporation, and CANADIAN PACIFIC  
LIMITED, a corporation organized under the  
laws of Canada (the "Railroad").

WHEREAS the Equipment Trustee and Owner Trustee  
have entered into an Equipment Trust Agreement dated as of  
May 1, 1977 (the "Equipment Trust Agreement"), whereby  
security title to railroad equipment described in Schedule A  
thereto (the "Equipment") was transferred to the Equipment  
Trustee as security for the obligations of the Owner-Trustee  
thereunder and of the Railroad under the Lease dated as of  
May 1, 1977, between the Owner-Trustee and the Railroad (the  
"Lease"), and the Lease was assigned by the Owner-Trustee to

the Equipment Trustee as security for the obligations of the Owner-Trustee under the Equipment Trust Agreement pursuant to an Assignment of Lease and Agreement dated as of May 1, 1977 (the "Lease Assignment"), between the Owner-Trustee and the Equipment Trustee;

WHEREAS the Lease, the Lease Assignment and the Equipment Trust Agreement, were filed with the Interstate Commerce Commission on May 31, 1977, at 1:35 p.m. in accordance with Section 20c of the Interstate Commerce Act and bear recordation nos. 8840-B, 8840 and 8840-A, respectively, and were deposited in the office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and a financing statement in respect thereof registered under the Personal Property Security Act (Ontario); and

WHEREAS the Railroad acquired all right, title and interest in and to the Equipment from the Owner-Trustee and now desires to eliminate the Lease and the Owner-Trust relationship described therein, and the Railroad desires to assume all of the obligations of the Owner-Trustee under the Equipment Trust Agreement on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1), lawful money of the United States of America paid by the parties hereto each to the other, and other good and valuable consideration, the receipt, adequacy and sufficiency

of which is hereby acknowledged, as well as of the mutual covenants herein contained:

1. The Owner-Trustee hereby confirms that it has assigned, transferred and set over unto the Railroad, its successors and assigns all right, title and interest of the Owner-Trustee in and to the Equipment and the Equipment Trust Agreement.

2. The Railroad hereby confirms that it has accepted the assignment to it of the Owner-Trustee's interest assigned to the Railroad as specified in paragraph 1 hereof and, in consideration of such assignments and of the consent of The National Life and Accident Insurance Company (hereinafter described) to the substitution of the Railroad as obligor under the Equipment Trust Agreement, the Railroad hereby assumes and agrees to pay and perform, all of the obligations of the Owner-Trustee under the Equipment Trust Agreement (including, without limitation, the obligation to pay the rentals described under Section 4.04 thereof).

3. The National Life and Accident Insurance Company (hereinafter called the Purchaser), the purchaser of the Equipment Trust Certificates (the "Old Certificates"), issued under the Equipment Trust Agreement, agrees to surrender to the Equipment Trustee the Old Certificates previously delivered and issued under the Equipment Trust Agreement and the Equipment

Trustee will issue and deliver to the Purchaser in exchange therefor new Equipment Trust Certificates (the "New Certificates") in like aggregate principal amount and bearing interest from the date on which interest has been paid on the Old Certificates, and the Railroad agrees to endorse on the New Certificates the unconditional guarantee of the Railroad (hereinafter called the Guarantee). The New Certificates will be deemed to be Trust Certificates for all purposes of the Equipment Trust Agreement and the definition of Trust Certificates contained in the Equipment Trust Agreement shall be and hereby is amended to refer to the New Certificates. The text of the New Certificates and the Guarantee to be endorsed thereon by the Railroad are to be substantially in the following forms, respectively:

[Form of New Certificate]

Note: The registered holder hereof has represented that it has acquired this Certificate for investment and not for resale. Accordingly, this Certificate has not been registered under the Securities Act of 1933 and may not be sold, transferred, pledged or hypothecated in contravention of the provisions of said Act.

\$ (U.S.) No.

8-1/2% EQUIPMENT TRUST CERTIFICATE  
DUE DECEMBER 20, 1993

MONTREAL TRUST COMPANY, a corporation organized under the laws of the Province of Quebec, Canada, as Trustee (hereinafter called the Equipment Trustee) under an Equipment Trust Agreement dated as of May 1, 1977, between the Trustee

and THE ROYAL TRUST COMPANY, a corporation incorporated by special charter under the laws of the Province of Quebec, Canada, as trustee (hereinafter called the Owner Trustee) and pursuant to an Assumption and Confirmation of Assignment, dated as of November 1, 1978, among the Equipment Trustee, the Owner Trustee and Canadian Pacific Limited (the "Railroad") whereby the Railroad assumed all of the obligations of the Owner-Trustee under said Equipment Trust Agreement (said Equipment Trust Agreement, together with said Assumption and Confirmation of Assignment being hereinafter called the Agreement), hereby certifies that or registered assigns, is entitled to an interest of \$ (U.S.) in the Equipment Trust Due December 20, 1993, due and payable in installments as hereinafter provided, and to interest on the unpaid principal amount represented by this Certificate from the date hereof until the principal amount hereof is due and payable, at the rate of 8-1/2% per annum, payable semiannually on June 20 and December 20 in each year, commencing December 20, 1977, with interest on any overdue principal and interest, to the extent that it shall be legally enforceable, at the rate of 9-1/2% per annum. Payments of principal and interest shall be made by the Equipment Trustee to the registered holder hereof at the office of the Equipment Trustee, 1 Ville Place Marie, Montreal H3B 4A8, Quebec, Canada, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but payable only out of rentals or other moneys received by the Equipment Trustee and applicable to such payment under the provisions of the Agreement. Interest due hereunder shall be calculated on the basis of a 360-day year of twelve 30-day months.

The principal amount of this Certificate is due and payable in 33 semiannual installments on June 20 and December 20 in each year, commencing December 20, 1977, and continuing to and including December 20, 1993. The first such payment of principal shall be in an amount equal to 2.616939% of the principal amount hereof; the second and each subsequent such payment through and including the thirty-second such payment shall be calculated so that the aggregate of the principal and interest payable on the date of each such payment shall be substantially equal and such payments of principal shall amortize 93.209365% of the principal amount of this Certificate; and the thirty-third and final such payment of principal shall be in an amount equal to the remaining unpaid balance of the principal hereof; subject, however, in the case of all such payments, to proportionate reduction in the event



of prepayment out of moneys deposited with the Equipment Trustee on account of Casualty Occurrences (as defined in the Agreement). Any such prepayment of this Certificate shall be at 100% of the principal amount hereof to be prepaid, together with accrued interest to the date fixed for prepayment. Since partial payments of principal on this Certificate are not required to be noted on this Certificate, inquiries should be made at the principal corporate trust office of the Equipment Trustee in Montreal, Canada, as to the principal amount at any time remaining unpaid hereon.

This Certificate is one of an authorized issue of Trust Certificates in an aggregate principal amount which may not exceed, at any one time outstanding, \$4,882,500 (U.S.), issued or to be issued under and subject to the terms of the Agreement, under which certain railroad equipment leased to the Railroad and certain moneys are and are to be held by the Equipment Trustee in trust for the equal and ratable benefit of the holders of Trust Certificates, to which Agreement (a copy of which is on file with the Equipment Trustee at its said office) reference is made for a full statement of the rights and obligations of the Railroad, the duties and immunities of the Equipment Trustee and the rights of the holder hereof thereunder.

The Trust Certificates are issuable only as fully registered Trust Certificates and are interchangeable without charge upon presentation thereof for that purpose at said office of the Equipment Trustee, but only in the manner and subject to the limitations provided in the Agreement.

The transfer of this Certificate in whole or in part may be registered on the books of the Equipment Trustee upon surrender to the Equipment Trustee, in person or by duly authorized attorney, at its said office of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Equipment Trustee. The Equipment Trustee and the Railroad may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes and shall not be affected by any notice to the contrary.

In case of the happening of an Event of Default (as defined in the Agreement), all installments of principal and

interest represented by this Certificate may become or be declared due and payable in the manner and with the effect provided in the Agreement.

IN WITNESS WHEREOF, the Equipment Trustee has caused this Certificate to be signed, manually or by facsimile, by one of its Authorized Officers and its corporate seal or a facsimile thereof to be hereunto affixed or imprinted and to be attested by one of its Authorized Officers by his manual signature.

Dated as of:

MONTREAL TRUST COMPANY,  
Trustee,

by

\_\_\_\_\_  
Authorized Officer

Attest:

\_\_\_\_\_  
Authorized Officer

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto  
Please insert Social Security or  
other identifying number of Assignee

the within 8-1/2% Equipment Trust Certificate and does hereby irrevocably constitute and appoint  
attorney to transfer the said Certificate on the books of the within-named Equipment Trustee, with full powers of substitution in the premises.

Dated:

\_\_\_\_\_  
\_\_\_\_\_  
GUARANTEE

Canadian Pacific Limited, for valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment when due of the prin-

cipal of said Certificate, and of the interest thereon specified in said Certificate, with interest on any overdue principal and, to the extent legally enforceable, with interest on any overdue interest, at the rate of 9-1/2% per annum, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein.

CANADIAN PACIFIC LIMITED,

by \_\_\_\_\_

by \_\_\_\_\_

4. Section 4.03, the third paragraph of Section 4.04 and Section 9.04 of the Equipment Trust Agreement and all references thereto, are hereby deleted therefrom, it being the intention of the parties hereto that the liability of the Railroad under the Equipment Trust Agreement and the New Certificates, and the enforcement of such liability shall not be subject to any limitation of liability. Any and all references in the Equipment Trust Agreement to the Owner-Trustee shall be deemed to mean the Railroad.

5. The Railroad unconditionally covenants, agrees and guarantees that the holder of each of the New Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon until paid at the rate of 9-1/2% per annum), and shall receive inter-

est thereon in like money at the rate specified therein, at the times and place and otherwise as expressed in the New Certificates (and, if not so paid, with interest thereon until paid at the rate of 9-1/2% per annum, to the extent legally enforceable); and the Railroad agrees to endorse upon each of the New Certificates, at or before the issuance and delivery thereof by the Equipment Trustee, its guarantee of the prompt payment of the principal thereof and of the interest thereon, in substantially the form hereinbefore set forth. Said guarantee so endorsed shall be signed in the name and on behalf of the Railroad, by the manual or facsimile signature of two of its Authorized Officers. In case any Authorized Officers whose signature shall appear on said guarantee shall cease to be such officer before the New Certificates shall have been issued and delivered by the Equipment Trustee, or shall not have been acting in such capacity on the date of the New Certificates, such guarantee shall nevertheless be as effective and binding upon the Railroad as though the person who signed said guarantee had not ceased to be or had then been such officer.

The Railroad hereby agrees that its obligation under its guarantee on the New Certificates shall be unconditional, irrespective of the genuineness, validity, regularity or enforceability of this Agreement or the Equipment

Trust Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a guarantor. No waiver by the Equipment Trustee or the holders of any of the New Certificates of any of their rights hereunder or under the New Certificates and no action by the Equipment Trustee or the holders of any of the New Certificates to enforce any of their rights or failure to take, or delay in taking, any such action shall affect the obligations of the Railroad hereunder or under the Equipment Trust Agreement or under said guarantee of the New Certificates.

6. As of the date hereof, the Railroad shall be deemed to be substituted for the Owner-Trustee as a party to and signatory of the Equipment Trust Agreement and shall be deemed to have undertaken each and every obligation, of the Owner-Trustee under the Equipment Trust Agreement, as modified pursuant to the provisions hereof.

7. In consideration of the assumption by the Railroad of the obligations (as herein modified) of the Owner-Trustee under the Equipment Trust Agreement and the Equipment Trust Certificates issued thereunder, the parties hereto consent to the termination of the Lease and the elimination of the Owner-Trustee as a party to the Equipment Trust Agreement and hereby release the Owner-Trustee from any and all obligations and liabilities under the Equipment Trust Agreement and the Equipment Trust Certificates which may arise from and after the date of this Agreement.

8. The Railroad will, at its own expense, promptly after the execution and delivery of this Agreement, cause the same to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and deposited with the Registrar General of Canada (notice of such deposit to be forthwith thereafter given in the Canada Gazette) pursuant to Section 86 of the Railway Act of Canada. The Railroad will promptly furnish, or cause to be furnished, to the Equipment Trustee evidence of such filing, recording and depositing, and an Opinion or Opinions of Counsel with respect thereto satisfactory to the Equipment Trustee.

9. This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.

10. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that any counterpart be signed by all the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

MONTREAL TRUST COMPANY,

by



Corporate Trust Officer

by



Manager, Corporate Trust Department

THE ROYAL TRUST COMPANY,

by

*M. L. Bingham*  
MICHAEL L. BINGHAM, ASSY. MANAGER, CORP. TRUST DIV.

by

*R. Hayman*  
R. HAYMAN, SENIOR CORP. TRUST OFFICER

CANADIAN PACIFIC LIMITED,

by

*F. L. Burbridge*  
PRESIDENT

by

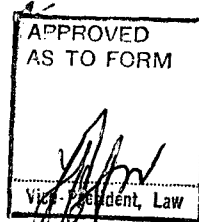
*S. Deane*  
ASSISTANT SECRETARY

The above is hereby consented  
to:

THE NATIONAL LIFE AND ACCIDENT  
INSURANCE COMPANY,

by

*C. D. Walling*  
Vice President



PROVINCE OF QUEBEC)  
 ) SS.:  
CITY OF MONTREAL )

On this 16<sup>th</sup> day of November 1978, before me personally appeared E. C. STARK and R.E. Harjour, to me personally known, who, being by me duly sworn, say that they are Corporate Trust Officer and Manager, Corporate Trust Department respectively, of MONTREAL TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Paul Anthony Lachy* *Notary Public*  
Notary Public

[Notarial Seal]

My commission expires: 15 Feb 1980

PROVINCE OF ONTARIO)  
 ) SS.:  
CITY OF TORONTO )

On this 17<sup>th</sup> day of November 1978, before me personally appeared MICHAEL L. BINGHAM and R. HAYMAN, to me personally known, who, being by me duly sworn, say that they are Asst. Mgr. Corp. Trust Dept. and SENIOR CORP. TRUST OFFICER respectively, of THE ROYAL TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Dale L. Best*  
Notary Public

[Notarial Seal]

My commission expires: 15 for life



PROVINCE OF QUEBEC )  
 ) SS.:  
CITY OF MONTREAL )

On this 16<sup>th</sup> day of November 1978, before me personally appeared F.S. Burbridge and D.J. Deegan, to me personally known, who, being by me duly sworn, say that they are President and Assistant-Secretary, respectively, of CANADIAN PACIFIC LIMITED, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*[Signature]*  
Notary Public

[Notarial Seal]

My commission ~~expires:~~  
is for life